

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2915

May 18, 2020

**SUMMARY OF BILL:** Creates the *Coronavirus Public Protection Act of 2020*. Authorizes the governor to enter into immediate negotiations with the federal Centers for Medicare and Medicaid Services (CMS) and the Office of the President of the United States, and seek all necessary waivers, to provide primary care to all uninsured citizens of this state relative to the prevention and treatment of coronavirus.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Exceeds \$256,264,200/FY20-21**

**Increase Federal Expenditures – Exceeds \$494,759,300/FY20-21**

Assumptions:

- The governor can enter into negotiations with CMS and the president in order to seek necessary waivers utilizing existing resources.
- The proposed legislation allows uninsured individuals to seek primary care services relative to the prevention and treatment of the coronavirus.
- This analysis assumes the statewide average monthly capitation rate payment for non-disabled, non-CHOICES, non-duals population of \$229.11 per member per month (PMPM) for calendar year 2020 would apply to these individuals.
- Based on US Census population data, Tennessee's population was 6,829,174 as of July 1, 2019.
- Based on a Boyd Center for Business and Economic Research at the University of Tennessee study entitled *The Impact of TennCare: A Survey of Recipients, 2019*, the average uninsured rate for Tennesseans over the last 10 years is approximately 8 percent.
- If 8 percent or 546,334 (6,829,174 x 8.0%) of Tennesseans require and seek out primary care services for prevention and/or treatment, the increase in expenditures is estimated to exceed \$125,170,583 (546,334 individuals x \$229.11 PMPM) per month.
- This analysis assumes these individuals will receive at least six months of coverage, resulting in a total increase of expenditures exceeding \$751,023,498 (\$125,170,583 x 6 months).
- Medicaid expenditures receive matching funds at a rate of 65.878 percent federal funds to 34.122 percent state funds. Of this amount \$256,264,238 (\$751,023,498 x 34.122%) will be in state funds and \$494,759,260 (\$751,023,498 x 65.878%) will be in federal funds.

## **IMPACT TO COMMERCE:**

**Increase Business Revenue – Exceeds \$751,023,500/FY20-21**

**Increase Business Expenditures – Less than \$751,023,500/FY20-21**

Assumptions:

- Healthcare providers will experience an increase in business revenue for providing services estimated to exceed \$751,023,498 in FY20-21.
- For companies to retain solvency, any increased expenditures will be less than the amount of increased revenues collected. Therefore, the increase in business expenditures is estimated to be less than \$751,023,498 in FY20-21.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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